GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:197
ANSWERED ON:01.08.2003
FRAUDULENT EXPORTS
SHIVRAJ SINGH CHOUHAN

Will the Minister of FINANCE be pleased to state:

(a) whether Government have apprehended a number of exporters for fraudulent exports during the last three years;

(b) if so, the names of the firms alongwith the irregularities of each one of them together with the amount involved, State-wise; and

(c) the preventive and corrective steps initiated against each one of them and against the exporters as a whole?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

a), (b) and (c): A Statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (A) , (B) AND (C) OF LOK SABHA STARRED QUESTION NO.197 TO B ANSWERED ON 01ST AUGUST, 2003.

Yes Sir; Government has apprehended 615 firms for fraudulent exports during the last three years. The total duty involved is Rs.2805.15 crores and the details of each case are provided in Annexure-I. Apart from punitive measures such as confiscation of goods involved, imposition of penalty and in some cases, arrest and detention under COFEPOSA, by way of preventive measures, officers dealing with examination and assessment of export cargo have been asked to be vigilant to curb attempts at export frauds by unscrupulous exporters. Officers have also been asked to be alert in dealing with sensitive commodities and exports to sensitive destinations. Checks have been incorporated in the automated customs clearance system to detect such cases. Directorate of Revenue Intelligence also gathers periodic intelligence regarding such frauds and disseminates the same to all the Custom Houses in the country.

Various safeguards have been in-built in the export promotion schemes to prevent misuse. Some of these are as follows: -

(i) Licences issued under Advance Licensing Scheme are subject to actual user condition and are non-transferable.

(ii) Capital goods imported under EPCG Scheme are subject to actual user condition till fulfilment of export obligation.

(iii) A nexus is specified for duty free import under DFRC Scheme.

(iv) In respect of items having DEPB rate of 17% or above, valuecap is specified to prevent unintended benefit. Instructions already exist for verification of Present Market Value (PMV)in respect of products having DEPB rate of 10% or more and the exporter is required to give a declaration that the benefit under DEPB Scheme shall not exceed 50% of PMV.

(v) Drawback Caps have been specified in Allindustry Rates of Drawback to prevent availment of higher drawback by over-invoicing. Present Market Value checks have also been provided for goods exported to sensitive destinations.